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TO: UTAH DIVISION OF OIL GAS & MINING

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FROM: Steven C. Strong

(801) 532-1500

DATE: August 8, 2008

DATE: NORTH TAR

RE:

C.W. Mining Company, Inc., Utah Bankruptcy Case no. 08-20105

Number of pages including cover sheet: \_11

Client Account Nr: 33709-1

Client/Matter: Aquila/C.W. Mining

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Attorneys for Petitioning Creditor Aquila, Inc.

# UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re:

C. W. MINING COMPANY, a Utah corporation,

Debtor.

Bankruptcy Case No. 08-20105

(Involuntary Chapter 11)

Hon. Judith A. Boulden

#### NOTICE OF ORDER

PLEASE TAKE NOTICE that on August 8, 2008 an Order (docket #139) and related Memorandum Decision (docket #138) were entered by the United States Bankruptcy Court for the District of Utah concerning a purported sale and transfer of mining assets, rights and related permits from C.W. Mining Company to Hiawatha Coal Company. A copy of the *Order* is attached as Exhibit A. Note that the last paragraph of the Order states: "This order applies to any portion of the Sale Agreement between the debtor [C.W. Mining Co.] and Hiawatha that has not yet been consummated including the approval of the sale by various governmental agencies and regulatory agencies or commissions."

DATED this 8th day of August, 2008.

/s/ Steven C. Strong

Keith A. Kelly
Steven W. Call
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36 South State Street, Suite 1400
P.O. Box 45385
Salt Lake City, UT 84145-0385

Attorneys for Petitioning Creditor Aquila, Inc.

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## CERTIFICATE OF SERVICE

I hereby certify that the foregoing *Notice of Order and Exhibit* was electronically filed on August 8, 2008 and therefore served on the following parties through the Court's CM/ECF system:

David E. Leta; dleta@swlaw.com, wsmart@swlaw.com,;kgoley@swlaw.com

Joel T. Marker; joel@mbt-law.com

John T. Morgan tr; john.t.morgan@usdoj.gov, james.gee@usdoj.gov

Oliver K. Myers; myersok@msn.com

 Paul James Toscano; ptoscano@expresslaw.com, eallred@expresslaw.com;bgonzales@expresslaw.com;ptpcecf@gmail.com

United States Trustee; USTPRegion19.SK.ECF@usdoj.gov

- Russell S. Walker; rwalker@wklawpc.com, ckirk@wklawpc.com
- I further certify that on August 8, 2008 copies of the foregoing Notice of Order and

Exhibit were served via first-class mail, postage prepaid upon the following parties:

Utah Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84116

U.S. Environmental Protection Agency 1595 Wynkoop St. Denver, CO 80202-1129

Utah Division of Water Rights 1636 West North Temple Salt Lake City, UT 84116

Utah Labor Commission 160 East 300 South, 3<sup>rd</sup> Floor Salt Lake City, UT 84111

U.S. Dept. of Labor, Mine Safety & Health P.O. Box 25367, DFC Denver, CO 80225-0367 Utah Division of Oil, Gas & Mining 319 N. Carbonville RD. #C Price, UT 84501-2351

State of Utah Division of Water Quality 288 North 1460 West P.O. Box 144870 Salt Lake City, UT 84114-4870

Utah Division of Water Rights Southeastern Regional Office 319 Carbonville Road P.O. Box 718 Price, UT 84501

Utah Labor Commission Office of Coal Mine Safety 940 South Carbon Ave. Price, UT 84501

Utah Division of Air Quality 150 North 1950 West Salt Lake City, UT 84116 Emery County Zoning Commission P.O. Box 417 Castle Dale, UT 84513

Internal Revenue Service Centralized Insolvency Operations P.O. Box 21126 Philadelphia, PA 19114-0326

Conrad H. Johansen Olsen Skoubye & Nielson 999 East Murray-Holladay Road, Suite 200 Salt Lake City, UT 84117

Mark Hansen Attorney for Standard Industries 431 North 1300 West Salt Lake City, UT 84116 U.S. Department of the Interior, BLM Moab Field Office 82 East Dogwood Moab, UT 84532

Carl E. Kingston Attorney for C.O.P. Coal Development Co. 3212 South State Street Salt Lake City, UT 84115

John Decre Construction & Forestry Co. P.O. Box 6600 Johnston, IA. 50131-6600

I further certify that on August 8, 2008 copies of the foregoing Notice of Order and

Exhibit were served upon the parties listed below via the manner indicated:

Utah Division of Oil Gas and Mining Via Facsimile to Salt Lake City office: 801-359-3940 Via Facsimile to Price office: 435-613-3739

U.S. Environmental Protection Agency Denver, Colorado Via e-mail: <u>r8eisc@epa.gov</u>

Utah Division of Water Quality Via Facsimile to: 801-538-6016

Utah Division of Water Rights
Via Facsimile to Salt Lake City office: 801-538-7467
Via Facsimile to Price office: 435-613-3755

Utah Labor Commission
Via facsimile to Salt Lake City office: 801-530-6390
Via facsimile to Price office: 435-636-1466

Utah Division of Air Quality Via e-mail to Regg Olsen, Branch Manger, Permitting Branch at rdolsen@utah.gov

U.S. Department of Labor, Mine Safety & Health Via facsimile to: 303-231-5468

U.S. Department of the Interior - BLM

Moab Field Office

Via facsimile to: 435-259-2106

Emery County Zoning Commission Via facsimile to: 435-381-5644

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# EXHIBIT A

The below described is SIGNED.

Dated: August 07, 2008

JUDITH A. BOULDEN U.S. Bankruptcy Judge



# IN THE UNITED STATES BANKRUPTCY COURT

### FOR THE DISTRICT OF UTAH

In re:

C.W. MINING COMPANY, a Utah corporation,

Putative Debtor.

Case No. 08-20105

Chapter 11

ORDER DENYING IN PART AND GRANTING IN PART MOTION OF AQUILA, INC.
FOR ORDER PRESERVING AND PROTECTING ASSETS OF BANKRUPTCY
ESTATE AND REQUESTING NOTICE AND HEARING IN CONNECTION WITH
DEBTOR'S PURPORTED SALE OF SUBSTANTIALLY ALL OPERATING ASSETS TO
A RELATED ENVITY

Before the Court is the Motion of Aquila, Inc. (Aquila) for Order Preserving and Protecting Assets of Bankruptcy Estate and Requesting Notice and Hearing in Connection With Debtor's Purported Sale of Substantially All Operating Assets to a Related Entity (Motion). In the Motion, Aquila, appreneitition judgment creditor of the putative Debtor, C.W. Mining Company (Debtor), seeks an order: (1) prohibiting the Debtor from using, transferring, encumbering, or disposing of any of its assets outside the ordinary course or business without first obtaining this Court's approval; (2) requiring the Debtor to give notice to all parties in interest of

its efforts to sell and transfer all of its assets to a related entity; (3) prohibiting the Debtor from taking any action to transfer, terminate, assign, impair or encumber the Debtor's long-term right to mine coal under an operating agreement between the Debtor and COP Coal Development Company (COP Coal); and (4) providing that if the Court approves a sale that the buyer Hiawatha pay into the Court's registry or an escrow account all consideration paid for the purchase of the Debtor's assets until further order of the Court. The Debtor and Standard Industries, Inc.

(Standard Industries) oppose the Motion. An evidentiary hearing was held on August 1, 2008.

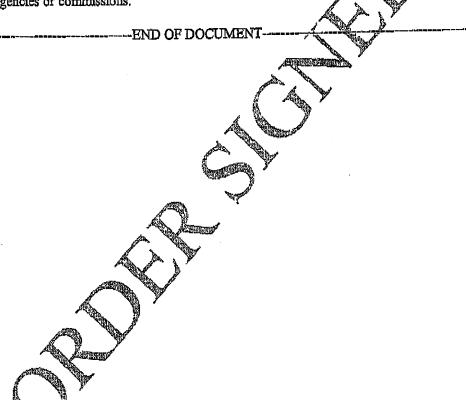
At the hearing Steve Strong and Keith Kelly appeared on behalf of Aquila, one of the petitioning creditors. Paul Toscano and Russell Walker appeared on behalf of the Debtor. Mark Hansen appeared on behalf of creditor Standard Industries, and Tyler Foutz appeared on behalf of petitioning creditor Owell Precast LLC.

At the conclusion of the hearing, the Court took the Motion under advisement and has issued this day a Memorandum Decision Denying In Part and Granting In Part Motion of Aquila, Inc. For Order Preserving and Protecting Assets of Bankruptcy Estate and Requesting Notice and Hearing In Connection With Debtor's Purported Sale of Substantially All Operating Assets to a Related Entity (Memorandum Decision) which is incorporated herein by reference. Based on the reasoning set forth in the Memorandum Decision, it is hereby

ORDERED that the Motion is GRANTED in part and DENIED in part. It is further ORDERED that from this point forward any use, transfer, or disposition of any of the

Debtor's assets outside the ordinary course of the Debtor's business is subject to the provisions of 11 U.S.C. § 363 of the Bankruptcy Code. It is further

ORDERED that any attempt from this point forward to transfer, sell or to seek approval of the transfer or sale of the Debtor's assets to Hiawatha Coal Mining Company (Hiawatha) or any other party outside the ordinary course of the Debtor's business must be set for hearing and properly noticed out to all parties pursuant to the Bankruptcy Code and Bankruptcy Rules. This order applies to any portion of the Sale Agreement between the Debtor and Hiawatha that has not yet been consummated including the approval of the sale by various governmental agencies and regulatory agencies or commissions.



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#### SERVICE LIST

Service of the foregoing ORDER DENYING IN PART AND GRANTING IN PART
MOTION OF AQUILA, INC. FOR ORDER PRESERVING AND PROTECTING
ASSETS OF BANKRUPTCY ESTATE AND REQUESTING NOTICE AND HEARING
IN CONNECTION WITH DEBTOR'S PURPORTED SALE OF SUBSTANTIALLY ALL
OPERATING ASSETS TO A RELATED ENTITY will be effected through the Bankruptcy

Noticing Center to each party listed below and to the MATRIX:

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